

Weekly Compilation of
**Presidential
Documents**



Monday, January 10, 2005
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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

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Week Ending Friday, January 7, 2005

Statement on the Earthquake and Tsunamis in the Indian Ocean

December 30, 2004

All Americans are shocked and saddened by the tragic loss of life and the destruction around the Indian Ocean. In this hour of critical need, America is joining with other nations and international organizations to do everything possible to provide assistance and relief to the victims and their families.

Already cargo aircraft, support personnel, naval units, and aid shipments have been dispatched. To coordinate this massive relief effort, firsthand assessments are needed by individuals on the ground. On Sunday, January 2, I will send a delegation of experts to the affected areas to meet with regional leaders and international organizations to assess what additional aid can be provided by the United States. The delegation will be led by Secretary of State Colin Powell and Governor Jeb Bush, who has extensive experience in the State of Florida with relief, rehabilitation, and reconstruction efforts following natural disasters. I look forward to receiving the delegation's assessment of the relief efforts so that our Government can best help those in need.

NOTE: This item was not received in time for publication in the appropriate issue.

**Executive Order 13368—
Adjustments of Certain Rates of Pay**
December 30, 2004

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the laws cited herein, it is hereby ordered as follows:

Section 1. Statutory Pay Systems. The rates of basic pay or salaries of the statutory pay systems (as defined in 5 U.S.C. 5302(1)), as adjusted under 5 U.S.C. 5303(a), are set

forth on the schedules attached hereto and made a part hereof:

(a) The General Schedule (5 U.S.C. 5332(a)) at Schedule 1;

(b) The Foreign Service Schedule (22 U.S.C. 3963) at Schedule 2; and

(c) The schedules for the Veterans Health Administration of the Department of Veterans Affairs (38 U.S.C. 7306, 7404; section 301(a) of Public Law 102-40) at Schedule 3.

Sec. 2. Senior Executive Service. The ranges of rates of basic pay for senior executives in the Senior Executive Service, as established pursuant to 5 U.S.C. 5382, are set forth on Schedule 4 attached hereto and made a part hereof.

Sec. 3. Certain Executive, Legislative and Judicial Salaries. The rates of basic pay or salaries for the following offices and positions are set forth on the schedules attached hereto and made a part hereof:

(a) The Executive Schedule (5 U.S.C. 5312-5318) at Schedule 5;

(b) The Vice President (3 U.S.C. 104) and the Congress (2 U.S.C. 31) at Schedule 6; and

(c) Justices and judges (28 U.S.C. 5, 44(d), 135, 252, and 461(a), section 140 of Public Law 97-92, and section 306 of Division B of Public Law 108-447) at Schedule 7.

Sec. 4. Uniformed Services. Pursuant to section 601(a)-(b) of Public Law 108-375, the rates of monthly basic pay (37 U.S.C. 203(a)) for members of the uniformed services, as adjusted under 37 U.S.C. 1009, and the rate of monthly cadet or midshipman pay (37 U.S.C. 203(c)) are set forth on Schedule 8 attached hereto and made a part hereof.

Sec. 5. Locality-Based Comparability Payments. (a) Pursuant to section 5304 of title 5, United States Code, and section 640 of Division H of Public Law 108-447, locality-based comparability payments shall be paid in accordance with Schedule 9 attached hereto and made a part hereof.

(b) The Director of the Office of Personnel Management shall take such actions as may be necessary to implement these payments and to publish appropriate notice of such payments in the *Federal Register*.

Sec. 6. Administrative Law Judges. The rates of basic pay for administrative law judges, as adjusted under 5 U.S.C. 5372(b)(4), are set forth on Schedule 10 attached hereto and made a part hereof.

Sec. 7. Effective Dates. Schedule 8 is effective on January 1, 2005. The other schedules contained herein are effective on the first day of the first applicable pay period beginning on or after January 1, 2005.

Sec. 8. Prior Order Superseded. Executive Order 13332 of March 3, 2004, is superseded.

George W. Bush

The White House,
December 30, 2004.

[Filed with the Office of the Federal Register, 9:01 a.m., January 4, 2005]

NOTE: This Executive order and the attached annexes were published in the *Federal Register* on January 5, 2005. This item was not received in time for inclusion in the appropriate issue.

Statement on the Earthquake and Tsunamis in the Indian Ocean

December 31, 2004

The disaster around the Indian Ocean continues to grow both in size and scope. I have been monitoring closely the developments and our recovery and relief effort underway. I also look forward to the detailed report of the official delegation led by Secretary Powell and Governor Jeb Bush that will travel to the region very soon.

The United States has already provided an initial, substantial effort through existing emergency response resources, the formation of the core group, and military assets. To help coordinate the massive relief effort, disaster response officials are on the ground, and we have established a Support Center in Thailand that is manned and operational. More than 20 patrol and cargo aircraft have been made available to assess the disaster and deliver relief supplies. Many of those air-

craft are on the scene. We have dispatched the aircraft carrier *Abraham Lincoln*, the maritime prepositioning squadron from Guam, and an amphibious ship carrying a Marine Expeditionary Unit. They will soon be in position to support relief efforts to include the generation of clean water. We are leading an international coalition to help with immediate humanitarian relief, rehabilitation, and long-term reconstruction efforts. India, Japan, and Australia have pledged to help us coordinate these relief efforts, and I am confident many more nations will join this core group in short order. Reports of strong charitable donations are also very encouraging and reflect the true generosity and compassion of the American people.

Initial findings of American assessment teams on the ground indicate that the need for financial and other assistance will steadily increase in the days and weeks ahead. Because of this information and based on the recommendation of Secretary Powell and Administrator Natsios, I am today committing \$350 million to fund the U.S. portion of the relief effort. Our contributions will continue to be revised as the full effects of this terrible tragedy become clearer.

Our thoughts and prayers are with all those affected by this epic disaster.

Message on the Observance of New Year's Day, 2005

December 31, 2004

As we begin the New Year, our prayers go out to the people who have lost so much to the recent series of disasters in the Indian Ocean region. The past few days have brought loss and grief to the world that is beyond our comprehension. America will continue to stand with the affected governments to bring aid to those in need. Together the world will cope with the loss and prevail over this destruction.

In the United States, we go forward in the New Year with confidence and faith in the future.

Over the past year, Americans have shown resolve and patience in the war on terror. Our military men and women have brought

justice to the enemy and honor to our country. Because of their bravery, over 50 million people in Iraq and Afghanistan are now free. At home, Americans have restored the vigor of our economy and answered the call to serve neighbors in need.

In the year ahead, we will persevere in the ongoing war on terror to make our Nation safer and stronger. We will continue to confront disease, hunger, and poverty at home and abroad. We will build on our economic progress and strengthen Social Security for the next generation so that all our citizens can realize the promise of America. And we will continue to improve our public schools and uphold our deepest values of faith, family, and service.

We are grateful to the men and women of our Armed Forces who serve and sacrifice to defend our liberty. These heroes and their families have the thanks and respect of our entire Nation. We pray for their safety and for peace and understanding throughout the world.

Laura joins me in sending our best wishes for a Happy New Year. May God bless you, and may God continue to bless America.

George W. Bush

NOTE: An original was not available for verification of the content of this message.

The President's Radio Address

January 1, 2005

Good morning. On this first day of a new year, we join the world in feeling enormous sadness over a great human tragedy. Last Sunday, an earthquake and violent tsunamis struck the nations that surround the Indian Ocean. The carnage is of a scale that defies comprehension, with over 100,000 deaths reported. I have signed a proclamation calling for our Nation's flag to be flown at half-staff this coming week. As the people of this devastated region struggle to recover, we offer our love and compassion and our assurance that America will be there to help.

Earlier this week, I spoke with the leaders of India, Sri Lanka, Thailand, and Indonesia. I offered them the condolences of our Nation, and I praised their steadfast leadership.

The task they face is difficult. Their relief resources are stretched nearly to the limit. Communications, roads, and medical facilities have been badly damaged. Disease has become a very real threat.

Americans are a compassionate people, and we are already hard at work helping those nations meet these challenges. The United States has pledged \$350 million in relief assistance, with \$15 million already in the hands of relief organizations in the affected countries. To help coordinate this massive relief effort, disaster response officials are on the ground and have established a support center in Thailand that is manned and operational. More than 20 patrol and cargo aircraft have been made available to assess the disaster and deliver relief supplies. Many of those aircraft are already on the scene. We have dispatched the aircraft carrier *Abraham Lincoln*, the maritime prepositioning squadron from Guam, and an amphibious ship carrying a Marine Expeditionary Unit. They will soon be in position to support relief efforts, to include the generation of clean water.

Tomorrow I will send a delegation to the area to meet with regional leaders and international organizations to assess what additional aid can be provided by the United States. The delegation will be led by Secretary of State Colin Powell and Governor Jeb Bush, who has extensive experience in the State of Florida with relief, rehabilitation, and reconstruction efforts following natural disasters. Secretary Powell has already spoken with many of his counterparts in the region and with officials from the United Nations and other governments that are helping with the response. Together, we are leading an international coalition to help with immediate humanitarian relief, rehabilitation, and long-term construction efforts. India, Japan, and Australia have already pledged to help us coordinate these relief efforts, and I'm confident many more nations will join this core group in short order.

Here at home, Americans are translating the blessings of our own country into generosity to others. From charitable organizations to private individuals to companies, our fellow citizens, on their own initiative, are raising millions of dollars for relief efforts.

These Americans, donor and fundraiser alike, represent the best of our country and offer an example to the world. Any American who desires to donate to these efforts can easily do so online, by accessing the USA Freedom Corps' web site at www.usafreedomcorps.gov.

In this season when we gather with loved ones and count our many blessings, we hold the victims of this terrible tragedy in our hearts and prayers. And let us be mindful that even in this modern age, our world still requires compassion, tolerance, and generosity from each of us.

Laura and I send our condolences to all whose hearts are filled with grief this New Year's Day. And to our fellow Americans, we wish you peace and happiness in the coming year.

Thank you for listening.

NOTE: The address was recorded at 8:20 a.m. on December 31, 2004, at the Bush Ranch in Crawford, TX, for broadcast at 10:06 a.m. on January 1, 2005. The transcript was made available by the Office of the Press Secretary on December 31, 2004, but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Proclamation 7859—Honoring the Memory of the Victims of the Indian Ocean Earthquake and Tsunamis

January 1, 2005

By the President of the United States of America

A Proclamation

As a mark of respect for the victims of the Indian Ocean Earthquake and the resulting Tsunamis, I hereby order, by the authority vested in me by the Constitution and laws of the United States of America, that the flag of the United States shall be flown at half-staff at the White House and on all public buildings and grounds, at all military posts and naval stations, and on all naval vessels of the Federal Government in the District of Columbia and throughout the United States and its Territories and possessions from Monday, January 3, 2005, until sunset,

Friday, January 7, 2005. I also direct that the flag shall be flown at half-staff for the same period at all United States embassies, legations, consular offices, and other facilities abroad, including all military facilities and naval vessels and stations.

In Witness Whereof, I have hereunto set my hand this first day of January, in the year of our Lord two thousand five, and of the Independence of the United States of America the two hundred and twenty-ninth.

George W. Bush

[Filed with the Office of the Federal Register, 11:14 a.m., January 4, 2005]

NOTE: This proclamation was published in the *Federal Register* on January 5.

Statement on the Death of Representative Robert T. Matsui

January 2, 2005

Laura and I are saddened by the passing of Bob Matsui. Bob Matsui was a dedicated public servant and a good and decent man who served with distinction and integrity in the U.S. House of Representatives for more than 25 years. In the Congress, he was a leader of his party admired by colleagues on both sides of the aisle. Through long-time service on the House Ways and Means Committee, he helped pass important legislation on issues ranging from trade to small business to child welfare to mass transit. He was always devoted to California and his native Sacramento, where he served on the city council and as vice mayor in the 1970s. A third-generation Japanese American, Bob was interned along with his family during World War II. Four decades later, he played a leading role in Congress in securing passage of the landmark Japanese American Redress Act. Laura and I send our prayers and condolences to Doris, their son Brian, and the entire Matsui family.

**Remarks on Mobilizing Indian
Ocean Earthquake and Tsunamis
Disaster Relief**

January 3, 2005

I thank you all for coming. I'm honored to be standing here with two former Presidents, President Bush 41, President Clinton 42. We have come together to express our country's sympathy for the victims of a great tragedy. We're here to ask our fellow citizens to join in a broad humanitarian relief effort.

Eight days ago, the most powerful earthquake in 40 years shook the island of Sumatra. The earthquake caused violent tsunamis in the Indian Ocean, which left an arc of destruction from Thailand to the Horn of Africa. The devastation in the region defies comprehension. More than 150,000 lives are estimated to be lost, including 90,000 in Indonesia alone. As many as 5 million people are thought to be homeless or without food or shelter. Thousands more are missing, and millions are vulnerable to disease.

Across the United States this week, our flags will fly at half-staff to honor the victims of this disaster. We mourn especially the tens of thousands of children who are lost. We think of the tens of thousands more who will grow up without their parents or their brothers or their sisters. We hold in our prayers all the people whose fate is still unknown.

The United States Government is in close contact with the governments of the affected countries, and America is playing a leading role in the relief and recovery efforts. Our Nation has committed military assets and made an initial commitment of \$350 million for disaster relief. We're working with the United Nations and with governments around the world to coordinate the comprehensive international response. American military assets in the region are now aiding recovery efforts. Patrol and cargo aircraft have been surveying damage and delivering supplies for several days. Air Force C-130s are flying aid missions 24 hours a day.

We are grateful for the hard work of the men and women who wear our Nation's uniform. The *Abraham Lincoln* carrier group is in place near Indonesia and transporting relief supplies by helicopter. Other naval and Marine assets will arrive shortly to generate

clean water and provide further logistical help.

I have sent a delegation headed by Secretary of State Powell and Governor Bush of Florida to the Indian Ocean region. There they will meet with fellow leaders and international organizations to assess relief efforts in place as well as the needs that remain. Secretary Powell and Governor Bush will report their findings directly to me, so we can ensure that our Government provides the most effective assistance possible.

We're showing the compassion of our Nation in the swift response. But the greatest source of America's generosity is not our Government; it's the good heart of the American people. In the weeks since the tsunami struck, private citizens have contributed millions of dollars for disaster relief and reconstruction. Organizations like the Red Cross and the Red Crescent, the Salvation Army, Catholic Relief Services, Save the Children, CARE, UNICEF, and America Cares responded rapidly after the tsunamis hit. They have reported an outpouring of generosity from around the world.

To draw even greater amounts of private donations, I have asked two of America's most distinguished private citizens to head a nationwide charitable fundraising effort. Both men, both Presidents, know the great decency of our people. They bring tremendous leadership experience to this role, and they bring good hearts. I am grateful to the former Presidents, Clinton and Bush, for taking on this important responsibility and for serving our country once again.

In the coming days, President Clinton and Bush will ask Americans to donate directly to reliable charities already providing help to tsunami victims. Many of these organizations have dispatched experts to the disaster area, and they have an indepth understanding of the resources required to meet the needs on the ground. In this situation, cash donations are most useful, and I've asked the former Presidents to solicit contributions both large and small.

Over the past week, we have seen some of the innovative ways Americans are helping people in need. A coffee roaster in California is handing out bags of coffee for a \$10 donation to the Red Cross. In Virginia Beach, the

owner of a tax assistance firm is making a donation for every tax return he prepares. Worshipers at a Buddhist temple in Houston collected thousands of dollars in cash to send to their sister temple in Sri Lanka. Some people are selling personal items on the Internet and donating the cash to the charities. Many corporations are matching contributions by their employees. And several have shown exceptional generosity by donating large amounts of cash and products to the relief efforts.

Presidents Clinton and Bush will be speaking about the countless ways individuals and businesses can support this urgent cause. I ask every American to contribute as they are able to do so. For more information about how to make a donation, you can visit the USA Freedom Corps web site at www.usafreedomcorps.gov.

Americans have suffered sudden catastrophe many times in our own history, from massive earthquakes in Anchorage and San Francisco to destructive wildfires in the West to the series of hurricanes that struck Florida last year. From our own experiences, we know that nothing can take away the grief of those affected by tragedy. We also know that Americans have a history of rising to meet great humanitarian challenges and of providing hope to suffering peoples. As men and women across the devastated region begin to rebuild, we offer our sustained compassion and our generosity and our assurance that America will be there to help.

The Presidents and I will be going to the embassies of the countries affected to pay our Nation's respects. I'm so grateful that both President Bush and President Clinton have taken time out of their busy schedules to not only serve as a catalyst for people to give money to help but also to join me and Laura in paying our deepest respects to those nations that have been affected by the tsunamis. As well the Presidents will return to the White House compound to talk to members of the press about how to better effect this great relief effort that is now going on in our Nation.

Thank you all for coming.

NOTE: The President spoke at 10:15 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Gov. Jeb Bush of Florida.

The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks After Signing the Book of Condolence at the Indonesian Embassy

January 3, 2005

It's our honor to come today to pay our respects for those in Indonesia who suffered under this tremendous disaster. I appreciate the former Presidents joining me. I'm proud Laura is here too as we sign the condolence book.

We're also committed to helping the Indonesian Government and the people of Indonesia. Presidents Clinton and Bush have agreed to help tap into the great generosity of the American people by serving as cochairmen of what will be a massive private relief effort. Of course, I will continue to make sure our Government provides relief as well. I look forward to working with the Indonesian Government to help those who need food and medicine and water and shelter to get their lives back in order so that the great country of Indonesia can rise up from this disaster and provide the hope necessary for the people of that important country.

It's our honor to be here with our friend and ally. Mr. Ambassador, thank you for having us. May God bless the people of Indonesia.

NOTE: The President spoke at 10:40 a.m. In his remarks, he referred to Soemadi Brotodiningrat, Indonesian Ambassador to the United States.

Remarks After Signing the Book of Condolence at the Indian Embassy and an Exchange With Reporters

January 3, 2005

Q. Mr. President, you have come this far; are you planning to extend your visit someday to India? It could be before your Presidency—

The President. Well, I appreciate that very much. I was just telling the Ambassador, when I spoke to the Prime Minister I assured him that my intentions were to make it this year to India. In the meantime, though, our

country stands with the people who have suffered. We want the Indian Government, the Indian people to know that we'll help in any way we can. I've asked President Clinton and President Bush to lead an effort to raise private contributions to go to the families of those who have suffered and to help provide food, medicine, water, shelter, whatever the Indian Government thinks is necessary.

I want to thank the Indian Government for taking a lead in this issue. One of the first things that we did was to put together a core group of nations, nations that are capable of organizing relief efforts around the region. And the Indian Government has been especially strong as a part of this core group. And I told the Ambassador to thank the Prime Minister for his very strong leadership.

Our navies are coordinating together; our search and rescues are coordinating together. And now the American people and the American Government want to help where help is needed.

Thank you all.

NOTE: The President spoke at 11:01 a.m. In his remarks, he referred to Prime Minister Manmohan Singh and Ambassador to the U.S. Ranendra Sen of India.

Remarks at a Reception for Newly Elected Members of Congress and Their Spouses

January 3, 2005

The President. Thanks for coming. Welcome to the White House. Hope you're feeling pretty excited about what's about to take place. We are excited for you. After all, we ran together. *[Laughter]* And there's nothing like winning. *[Laughter]*

I want to welcome you all here. Laura and I are so thrilled you're here. We want to welcome your spouses. I particularly want to say a thanks to your spouse for having supported your run for the Congress or the Senate. Laura and I know how hard it is on a family to be in the political arena. It's the ultimate sacrifice, really—sacrifice your privacy, sacrifice time with your kids. But you're going to find it's worthwhile. Serving this great country is an unbelievable honor, and both

the elected official and the spouse are serving our great country.

The Vice President and I share something else in common with you, besides having run together in 2004, is that we've all run for the Congress. I'm the only one who never won. *[Laughter]* I ran in 1978, came in second in a two-man race. *[Laughter]* The Vice President won, as did Dan Lungren. Welcome back.

Representative Dan Lungren. Thank you.

The President. Thanks for agreeing to serve your great State and our country once again.

Also elected that year was a young attorney from Sacramento, California, named Bob Matsui. Bob went on to serve with distinction and integrity in the House of Representatives for more than 25 years. He was a principled advocate for the people of northern California, and he will be deeply missed.

We're also saddened to learn about the passing of former Congresswoman Shirley Chisholm of New York. She was a fine lady, a pioneer in education and public service, and the first African American woman elected to the Congress. Laura and I send our condolences to both the Chisholm and the Matsui families. May God rest their souls.

One of Matsui's colleagues was Lungren, as I mentioned, and he is typical of what is a pretty interesting group of folks who've run and won in 2004. I mean, after all, there are former House Members who are coming back to the Capitol with a new job—that would be Senators Coburn and Thune—and two Members of the Congress, like Dan, who has served once and are now returning, Inglis and McKinney. Welcome back.

There are some familiar names. After all, four new Senators have moved over from their House seats, and Senator Martinez was in the Cabinet. Welcome, Mel. It's good to see you and Kitty.

There are new Members of the House who were preceded in Congress by their mom or dad. That would be four Members of the House. I get a little nervous when that son follows the father. *[Laughter]* The State of Colorado has sent two brothers. I know something about having a brother in politics too. *[Laughter]* In the 2004 class, we've got

ranchers and farmers; we've got attorneys, physicians, educators, entrepreneurs, and a sheriff from King County, Washington. It's a diverse group, a widely talented group, and there's no doubt in my mind, some of your finest achievements lie ahead of you.

You know, I've learned about Washington in 4 years. This town is sometimes too partisan and too political. People sometimes say, "What's more important than the country is my politics." And my hope is, is that we can show the Nation that we can come together to achieve big things for the good of the country. After all, we've—we did some of that in my first 4 years here. The election, obviously, is a political event, and so sometimes that obscures what did take place in the first 4 years of my time here.

I mean, we were able to find common ground. After all, I'll never forget signing the education bill at a high school in Boston because Ted Kennedy helped carry the bill in the United States Senate, along with George Miller in the House and Judd Gregg in the Senate and John Boehner in the House. And on big issues, it is possible—and not only possible, important for the Congress and the White House to work together, issues like war and peace, issues like homeland security, issues like making sure seniors are treated well.

I think it's important, as we head into a new session, to confront problems, to not pass them on to future Congresses or a future President. I don't know about what your timeframe is for the amount of time you anticipate spending here, but mine is about 4 more years, and then I'm going home. And so I want to confront problems, and I will. I'll call upon Congress to take on big issues. And I look forward to working with members of both parties to do just that.

The first order of business is going to be to provide disaster aid for the millions of people devastated by the tsunamis in the Indian Ocean. Today my dad and President Clinton and Laura and I went to the four embassies of the countries most affected. And I told them, I said, "This is a compassionate country, and we will help, and we will help in a way where the aid makes a difference." I know Presidents Clinton and Bush went on TV afterwards and called upon our fellow

citizens to contribute in a wise way. The most effective way for U.S. citizens to contribute is to contribute cash dollars to agencies which are on the ground and are able to assess the needs and able to direct that money to make sure the people get help.

We'll help, and you'll hear us call upon—I see my OMB man, Josh Bolten, here—we'll call upon the Congress to contribute, to help make good on our pledges of \$350 million in cash grants, to help make whole our military, which is providing a lot of important relief efforts right now. But the American people are generous and compassionate people. And I know they want to step forward and help. And we've now got a mechanism for them to be able to do so.

We've got to make sure that we win the war. We've got to make sure we support our troops. We've got to make sure we simplify the Tax Code. I don't know whether that's an issue in your district or in your State; I suspect it might be. It's a complicated mess. It takes millions of man-hours to fill out the Tax Code. I think we ought to work to simplify it, to make it easier to understand.

We've got to make sure health care is more accessible and affordable for our families, got to make sure we reform the legal systems. We've got to make sure we raise standards for schools, including high schools, in America. I look forward to working with you to pass a budget that fits our times.

And I look forward to working with you to make the Social Security system work for future generations. I know you've heard a lot of discussions about Social Security. I ask you to keep an open mind as we move forward to make sure the system works. Seniors have nothing to fear when they hear talk about reforming the Social Security system. Every senior in America will get their check. And the fundamental question is: Do we have the will necessary to make sure the Social Security system is sound and available for future generations of Americans, for younger generations of Americans? I'm going to call upon Congress to take this issue on, and I look forward to working with you to modernize the system.

I look forward to your energy and your ideas. I'm ready to work with you. And

there's no doubt in my mind we can accomplish big things for our country. The work begins tomorrow for you. And when you're sworn in, I hope you'll take a moment to appreciate that you're a part of our history, that when you made a decision to put your name on the ballot and ask people for the vote and became successful, that you're a part of a small, distinguished group of men and women who've had the honor of serving the United States of America in the Congress.

So I want to congratulate you on your victory. I wish you great success in your career. If you're so interested, Laura and I are willing to—would love to have a picture with you in the Blue Room, and then we'd like to share some of our food with you.

Good luck tomorrow, congratulations, and may God bless you all.

NOTE: The President spoke at 3:39 p.m. in the East Room at the White House. In his remarks, he referred to Kitty Martinez, wife of Senator Mel R. Martinez; and Senator Ken Salazar and Representative John T. Salazar of Colorado.

**Memorandum on Provision of
Emergency Disaster Relief
Assistance to Twelve Countries
Affected by the Asian Tsunami,
Including the Drawdown Under
Section 506(a)(2) of the Foreign
Assistance Act of 1961, as Amended,
of Articles and Services**

January 4, 2005

Presidential Determination No. 2005–16

*Memorandum for the Secretary of State, the
Secretary of Defense*

Subject: Provision of Emergency Disaster Relief Assistance to Twelve Countries Affected by the Asian Tsunami, including the Drawdown Under Section 506(a)(2) of the Foreign Assistance Act of 1961, as Amended, of Articles and Services

Pursuant to the authority vested in me by the Constitution and the laws of the United States, including my authority as Commander in Chief, I hereby direct the Secretary of Defense to provide such disaster assistance to Indonesia, Thailand, Sri Lanka,

India, Maldives, Malaysia, Burma, Kenya, Somalia, Tanzania, Bangladesh, and the Seychelles as is necessary to prevent further loss of life, as determined by the Secretary of Defense and the Secretary of State.

In addition, pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2318(a)(2) (FAA), I hereby determine that it is in the national interest of the United States to draw down articles and services from the inventory and resources of the Department of Defense, for the purpose of providing international disaster relief assistance to countries affected by the Asian tsunami.

I therefore direct the drawdown of up to \$65 million of defense articles and services from the inventory and resources of the Department of Defense for these countries for the purposes and under the authorities of chapter 9 of part I of the FAA related to international disaster assistance.

The Secretary of State is authorized and directed to report this determination to the Congress and to arrange for its publication in the *Federal Register*.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., January 7, 2005]

NOTE: This memorandum was published in the *Federal Register* on January 10.

**Remarks Following a Discussion on
Medical Liability Reform in
Collinsville, Illinois**

January 5, 2005

The President. Thank you all. Please be seated. Thanks for coming out to say hello. It's great to be in southern Illinois. I appreciate the chance to come to Madison County. I'm honored to be the first sitting President to visit the city of Collinsville. I'm sorry Laura is not with me.

Audience members. Aw-w-w! [*Laughter*]

The President. That is generally the reaction. [*Laughter*] I was hoping she and I could go look at the Catsup Bottle. [*Laughter*]

Thanks for waiting on me. I had a visit with some of the—some folks from the area

here, a neurosurgeon, a cardiologist, the administrator of a hospital, ob-gyn, a patient, all about the health care crisis that exists here in this part of the world. And that's what I'm here to talk about. I'm here to talk about how we need to fix a broken medical liability system.

I want to thank all the good folks who provide health care for the folks in this part of the world, the nurses, the docs, the administrators. Thank you all for coming. Thanks for your compassion. Thanks for your care. Thanks for taking an active interest in an important issue that faces not only this part of the world but the country. But really what I'm here to do is to make—say as clearly as I can, the United States Congress needs to pass real medical liability reform this year.

And there's no doubt in my mind we have a strong ally in this issue in the great Speaker of the House of Representatives from the great State of Illinois, Denny Hastert.

And I want to thank Congressman John Shimkus for his leadership not only on this issue but on other issues. It's good to be with his wife, Karen, again, sons, David, Joshua, and Daniel. Nice to see you boys. And you brought Mom and Dad. Your mom is probably telling you what to do, just like mine is. *[Laughter]* You're probably listening about half the time, just like I am. *[Laughter]* Welcome.

I'm also proud to be traveling today with a great Congressman from Peoria, Illinois, Ray LaHood. Thank you, sir. Appreciate you coming.

The State Treasurer of Illinois has joined us, Judy Baar Topinka. Appreciate you. Tom Cross is here. He's the minority leader in the house. I'll tell you what he's doing in the house of representatives for the State of Illinois: He is leading the medical liability reform effort. And I want to thank you, Tom, for taking a strong role. Appreciate you coming.

I know the mayor is here. Mr. Mayor—yes, he's here, Stan Schaeffer. I appreciate you coming, Mr. Mayor. Appreciate you being here. I usually like to give mayors unsolicited advice: Fill the potholes. *[Laughter]* You've probably got some advice for me: Pass the highway bill. *[Laughter]*

I want to thank those of you who are working on this medical liability issue here in the State of Illinois. I appreciate your efforts. Look, it's about time the medical profession gets involved. It's about time you let people know what's on your mind. It's time to make sure that the issue comes to the forefront not only at the Federal level but at the local level as well.

I want to thank Connie Bergmann. I met Connie. She came out to the airport—airbase, and—kind of airbase-airport combo, I guess it is. She is a volunteer for the American Red Cross. The reason I bring her up is, every stop I make in America I like to herald a citizen who's taken time out of his or her life to volunteer to make the country a better place. See, the great strength of America is not our military might, and it's certainly not the size of our wallets. The great strength of America lies in the hearts and souls of our fellow citizens, people who are willing to love a neighbor just like they'd like to be loved themselves, people who are willing to take time to volunteer to make America a better place. And Connie Bergmann is such a person. And I want to thank you for serving the Red Cross.

And speaking about the Red Cross, the International Red Cross is doing heroic work in a part of the world that has suffered incredible, incredible death and destruction. The American people express our sympathy to the victims of the tsunami disasters.

Yesterday I spoke to Secretary of State Colin Powell and Governor Jeb Bush of Florida, who I sent on a delegation—with a delegation to assess the relief operations. And they reported in that the devastation is beyond comprehension. They also reported in that they will come back with an assessment about how we can more effectively help. But they also reported that our military is doing heroic work in helping to save life. They're flying rescue missions 24 hours a day. They're making a huge difference in the people's lives over there by delivering supplies directly to those in need. Our Government has not only stepped up with the use of military assets, but we have pledged \$350 million in disaster assistance to help the people over there who are suffering.

There's huge generosity here in America as well. As you know, I tapped a couple of ex-Presidents—[laughter]—number 41 and number 42, to help out. I asked them to help, and they are. My dad and President Clinton have graciously given of their time to help make sure that people know there is a need and to make sure the donations are properly channeled into programs that work. If you want to help, get on the Internet for the USA—www.usafreedomcorps.gov. There's a place to help. And on that web page, you'll find different agencies which are doing the good work.

What I don't want is, I don't want people to be sending money to places that aren't really doing the job. We don't need to support organizations that aren't effectively delivering compassion and help. And so on this web page, you'll find a way to help, if you so desire to do so. What they tell me is, the most important contribution a person can give is cash, and let the agencies on the ground be able to use that cash to best meet the needs of those who have suffered.

I want to thank all the Americans who thus far have been participating in this urgent cause. You're showing the true strength of America through your good heart.

I don't know if you know this: This is my first trip after the New Year. And it's good to come here to Illinois. I'm rested and ready to continue to serve to be your—to continue to be your President and to serve the people of this country. And we've got a big agenda item—a big agenda and a series of items that we'll be dealing with.

First of all, we're going to win the war on terror. We've still got to—we will be steadfast. We will be resolved. We'll be wise. We won't give in to these people. We have a duty in your Government to protect the American people. So the second big task at hand is to make sure we do everything we can to protect our homeland. And I will assure you I will continue to work to spread freedom and democracy and, therefore, peace in parts of the world that are desperate for freedom, democracy, and peace.

We're going to work with the Congress to be wise about how we spend your money. We're going to keep your taxes low so this economy continues to grow. We're going to

continue to work with our farmers and ranchers to make sure they can sell the products overseas, in markets where people need food and beef and pork. We're going to work to pass a national energy plan. We're going to work to cut our deficit in half over the next 5 years.

And I look forward to working with members of both political parties to do something about our health care system. First, it is important for Americans to understand we have the best health care system in the world. And we need to keep it that way. We've got the best hospitals, both urban and rural. We've got the world's most talented and compassionate doctors and nurses. And we've got the world's—and we lead the world in innovative research. We're on the cutting edge of change. We're saving lives through our research. Americans should be proud of our medical system, and we all must be grateful for those who work hard to provide compassion and care.

Our health care system faces serious challenges. We all know that. The cost of health care is rising rapidly, and that burdens our families. It hurts our small businesses. It makes it harder for the job creators to expand the job base. Too many Americans are left struggling to find affordable health care. And so I think we need to take practical steps to make sure this health care system of ours is more affordable and available, and we've got to take those steps this year.

To improve health care in America, we need to expand the use of health savings accounts. It's a product that lets you save tax-free for routine medical care while keeping affordable coverage against major illness. Small businesses must be allowed to join together, to pool risk so they can buy insurance for their employees at the same discounts that big businesses are able to do.

To address the cost of medical care, we need to apply 21st century information technology to the health care field. We need to have our medical records put on the IT. We need to make sure that we speed up the delivery and arrival of cheaper generic drugs to help control costs. We want to make sure our Medicare system still allows seniors to have choice in the system.

There's a lot we can do. We've got to make sure we expand community health centers around our country to provide care for the poor and the indigent. And we've got to make sure low-income children are enrolled in government health care programs so they receive the care they need. These are practical steps to help people be able to find health care at affordable prices and, at the same time, make sure the health care system is not run by the Federal Government but by patients and doctors.

To make sure our health care system works the way we want it to work, we've got to address the root causes of rising medical costs. Part of addressing those costs can be achieved by introducing information technology. Part of addressing those costs can be achieved by introducing generic drugs faster, just like I mentioned.

Some of the cost increases in our health care system are necessary and worthwhile. After all, research into new treatments requires major investments. World-class medical technology is expensive. In other words, to stay on the leading edge of medicine, it costs money. And I suspect somebody whose life has been saved by the latest technology is going to say that cost increase was necessary. But some costs are not necessary. And that's what the American people must understand and Members of the United States Senate and the United States House must understand.

Many of the costs that we're talking about don't start in an examining room or an operating room; they start in a courtroom. What's happening all across this country is that lawyers are filing baseless suits against hospitals and doctors. That's just a plain fact. And they're doing it for a simple reason: They know the medical liability system is tilted in their favor. Jury awards in medical liability cases have skyrocketed in recent years. That means every claim filed by a personal-injury lawyer brings the chance of a huge payoff or a profitable settlement out of court. That's what that means. Doctors and hospitals realize this. They know it's expensive to fight a lawsuit, even if it doesn't have any merit. And because the system is so unpredictable, there is a constant risk of being hit by a massive jury award. So doctors end up paying tens

of thousands or even hundreds of thousands of dollars to settle claims out of court, even when they know they have done nothing wrong.

That's what's happening in the system today. It's a system that's just not fair. It's costly for the doctors. It's costly for small businesses. It's costly for hospitals. It is really costly for patients.

When those providing insurance have to pay the bills for enormous jury verdicts or out-of-court settlements, they have to raise premiums on physicians they cover. Specialists in high-risk practices like ob-gyn or neurosurgery are particularly vulnerable to lawsuits, so their premiums rise the fastest. You're about to hear a couple of stories of folks in this area who can testify to that fact.

Because junk lawsuits are so unpredictable, they drive up insurance costs for all doctors, even for those who have never been sued, even for those who have never had a claim against them. When insurance premiums rise, doctors have no choice but to pass some of the costs on to their patients. That means you're paying for junk lawsuits every time you go to see your doctor. That's the effect of all the lawsuits. It affects your wallet. If you're a patient, it means you're paying a higher cost to go see your doctor.

If part of the national strategy has got to be to make sure health care is available and affordable, health care becomes less affordable because of junk lawsuits. And that's what the people of southern Illinois and the people of America must understand, that every time you read about big jury verdicts or out-of-court settlements or lawsuits being filed here or there, you're paying for it.

For some physicians, even raising costs for patients isn't enough to afford the premium increases caused by these lawsuits. And so physicians are faced with a terrible choice: give up medicine entirely, or to move to another place where they can afford to practice medicine. And that problem affects all doctors, from family practitioners in rural towns to surgeons in big-city hospitals.

In 2003, almost half of all American hospitals lost physicians or reduced services because of medical liability concerns. Think about that: One-half of all American hospitals

lost physicians. Over the past 2 years, the liability crisis has forced out about 160 physicians in Madison and St. Clair counties alone. When doctors move or close their practices, guess who suffers: the patients, the people who live in these good towns in this part of the world. Pregnant women have to travel longer distances for checkups. Accident victims lose critical minutes in transit to faraway emergency rooms. New residents, people you're trying to get to come and live in your communities, have a hard time finding doctors willing to accept extra patients. And that causes the quality of life in your community to deteriorate. It's a problem that we must address.

America's health care professionals should be focused on fighting illnesses, not on fighting lawsuits. Junk lawsuits change the way docs do their job. Instead of trying to heal the patients, doctors try not to get sued. Makes sense, doesn't it? If you're worried about getting sued, you're going to do everything you can to make sure you don't get sued. That's why doctors practice what's called defensive medicine. That means they're writing prescriptions or ordering tests that really aren't necessary, just to reduce the potential of a future lawsuit.

They have specialists who stop taking emergency room calls. Doctors turn away patients with complicated, life-threatening conditions because they carry the highest risk for a lawsuit. Defensive medicine drives a wedge between the doctors and the patients, and defensive medicine is incredibly costly for our society. Altogether, defensive medicine drains some 60 to 100 billion dollars from the economy. Defensive medicine raises medical bills for patients and increases insurance costs for employers, and it takes money away that small businesses could use to invest and expand.

This liability system of ours is, what I'm telling you, is out of control. And you have people in this area and the doctors in this area understand what I'm talking about. A recent study ranked Madison County the number one place in the country for trial lawyers to sue. And that's a ranking I'm sure you'd like to get rid of. And those of you traveling in from St. Clair County aren't doing much better. *[Laughter]* St. Clair is

ranked the second county in America where you're likely to get sued. In other words, if you see a team of trial lawyers spending a lot of time in the Collinsville area, you can be pretty sure they're not looking for horse-radish. *[Laughter]*

Let me share some of the stories of the folks I met with today. I think this will help clarify what I'm trying to say to you. Dr. Chris Heffner is with us. He's a neurosurgeon from Belleville Memorial and St. Elizabeth Hospitals. Raise your hand, Doc. He is one of only two neurosurgeons still practicing south of Springfield, Illinois. You've got two people in the area. In just 2 years, his annual premiums have more than doubled from \$131,000 a year to \$265,000 a year. And at the same time, his amount of insurance coverage has been cut in half.

A few years ago, Chris decided that closing his head trauma part of his practice was the only way he could afford to stay in this area. He told me he loves living here in this part of the world. He likes to raise his family here. He and his wife made a tough decision to stay here, in spite of the fact that his premiums doubled and he got half the coverage. And so the only way he could stay here and to provide a level of care that he wants everybody to have was to cut out part of his practice. He still treats dozens of patients with spinal cord injuries, but now brain trauma victims in southern Illinois have to be airlifted across the river to St. Louis. He said, "It's very distressing. I spent years of training to do brain surgery. It's a big part of my life. I made a commitment to stay here, but I had to make adjustments to keep the ax from falling." The system needs to be fixed.

Dr. Greg Gabliani is with us. He's from Alton, and he is a cardiologist. He was raised in Quincy, and he moved to Madison County in 2001, even though his colleagues warned him about the medical liability crisis here. In 3 years, his premiums have risen from \$12,500 to \$60,000 a year—3 quick years. Last year he had to stop performing certain procedures to bring his costs under control. He said, "You either have to change the nature of your practice, or you have to leave." He didn't want to leave, so he's having to cut back on his services. We've got a problem, folks.

I met with Bob Moore. He's the CEO of Red Bud Regional Hospital. That's big Bob. He's a father of six, I want you to know. [Laughter] His hospital has a long tradition of delivering babies, but this past November, he made the difficult decision to close his ob unit. The malpractice—see, he had the—they employ the doctors in his hospital. They become the employer. They're going to cover the insurance for them, and it doubled from \$150,000 to \$270,000—more than doubled. They're paying \$270,000 a year now. That's a lot for a little hospital in a small town. Maybe for a big hospital, it's not a lot, or for those of us who are used to dealing with the Federal budget, it's not a lot. [Laughter] It's a lot for a small town hospital.

Red Bud used to handle 120 deliveries a year. But now a lot of the women have to drive an hour to get to an ob unit. He said, "You wouldn't get an ob-gyn to come here. It's affecting rural medicine." "It" happens to be the medical liability crisis, is affecting rural medicine. Lawsuits are affecting rural medicine. It's a societal issue that has to be dealt with. I couldn't put it any better, Bob. It is a societal issue that we must deal with. It is a quality of life issue. We don't want our little towns being—not having any health care. We want people who live in rural America, like Crawford, Texas—[laughter]—to be able to get—to have a quality of life—[ap-
plause].

Leslie Scariano is with us. She is an ob-gyn from Alton. She spent her entire career as a doctor in southern Illinois, and she has never been sued. She is a good doc. She shut down her practice on December the 31st of this year because her premiums have skyrocketed out of control. That means she couldn't afford to stay in practice. She had a choice to make: quit practicing medicine, or go broke. She said, "I don't want to quit practicing medicine and I'm not going broke, so I'm going to move to Colorado." You lost a good soul from this part of the world because the system is out of control. Leslie's premiums will be about 80 percent lower in Colorado than here in Illinois.

I met with Kim Vogel, who is right with us—yes, there she is. She was one of Leslie's patients. She's expecting her second child early next month—like, soon. [Laughter]

When she found out she was pregnant last year, Kim started seeing the ob-gyn that delivered her daughter, Katie. That ob-gyn moved to Tennessee. Then she started seeing Leslie. Leslie is moving to Colorado. Kim is now on her third ob-gyn, and she's worried about it. She said, "I understand the doctors' position. I don't blame them. But as a patient, I see them leave and I think, what am I going to do now, and where does that leave me? I feel like I've lost control over how my pregnancy will go."

Unfortunately, this is not just a story confined to this part of the world. This is a story of pregnant moms all over America who are wondering whether or not they're going to be able to find good quality health care for their child and themselves. I've come to this part of the world because I want to assure you that, one, I understand the problem and I intend to work with Congress to do something about it.

You know, when I was the Governor of Texas, I felt that we could solve medical liability issues at the State level. And there was two things wrong with that strategy. One is that a State would pass good medical liability reform, and all the trial lawyers would do is go to the State that has lousy medical liability law. So you're not solving the problem, you're just shifting the problem. You're making the quality of life issue go from one area—the deterioration of quality of life issue go from one area to the next. That didn't seem to make any sense.

But the other thing I discovered is that because of medical liability problems and lawsuits and increasing premiums and the defensive practice of medicine, your Federal budget spends \$28 billion a year, extra money. See, we have to pay for Medicaid and Medicare and veterans' benefits. The rising cost of health care, the number of lawsuits, the defensive practice of medicine is driving up the cost to our taxpayers. Medical liability reform is a national issue, and it requires a national solution.

So I went to Congress with some proposals that I think are fair, proposals that will build confidence in the judicial system. Nobody likes to come to a part of the world that says the judicial system is out of control, and people lose confidence in it. We've got to have

confidence in the fairness of our system. We want people who are harmed to be able to get—have their day in court and get fair treatment in the courts of law. But we want—we don't want a system that's so tilted the other way that it runs good doctors out of business and makes it hard for hospitals to deliver care.

I believe a victim of a legitimate medical error should be allowed to collect full economic damages, 100 percent of the cost of their medical care and recovery plus economic losses for the rest of their life. Seems to be fair, if you get hurt. And when appropriate, injured people should be allowed to collect reasonable noneconomic damages. And in the case of truly egregious wrongdoing, patients should be entitled to punitive damages. But there needs to be some reason when it comes to noneconomic damages in the system, and that's why I proposed a hard cap of \$250,000 on noneconomic damages.

Interestingly enough, the State of California has a cap on noneconomic damages that was enacted in 1975. Patients in that State see their claims settled a third faster than in States without those limits. In other words, patients are treated more fairly where there's a cap. And since 1975, insurance premiums for California doctors have become much more affordable premiums than anywhere else in the country—than in most States. Caps on noneconomic damages work. It's a good idea, and the Congress ought to adopt them.

We have another problem with our legal system, and that is trial lawyers sometimes sue all the doctors involved in the patient's case even if most of the doctors have nothing to do with the patient's injuries. It's simply unfair to punish doctors who have done nothing wrong. And so to make sure doctors and hospitals are treated fairly, Congress needs to pass joint and several liability reform.

I think the people are beginning to understand the importance of this issue. I know you do. I know the people of this part of the world understand it, because you see firsthand what happens when the system gets out of control: 160 docs leave 2 counties. People understand that no patient has ever been healed by a frivolous lawsuit; no small business has ever grown because of a frivo-

lous lawsuit; the cause of justice is never served by frivolous lawsuit.

I know you're serious about this liability issue here. I talked about it everywhere I went on the campaign—nearly everywhere I went on the campaign trail, and I believe the voters made their position clear on election day about medical liability.

The House passed a good medical liability reform bill last year. I want to thank the two Members of Congress for working on it. The Senate failed to get the job done. Well, the new Congress is starting over, you know. We've got a new chance to get something done for the—on behalf of the American people. Both Houses will have a fresh opportunity to address this issue. I'm looking forward to working with the leadership of the House to get the bill moving. It's important for the United States Senators from this State and other States to recognize the significance of the problem and get a meaningful, real medical liability bill to my desk so I can sign it in the year 2005.

Junk lawsuits affect more than just the medical field. According to a recent study, frivolous litigation has helped drive the total cost of our tort system to more than \$230 billion a year. That's the equivalent of \$3,200 for every family of four. The lawsuit burden falls especially hard on small businesses. And yet, small businesses are the engine of job—are the engines of job creation in our country. Seventy percent of all new jobs in America are created by small businesses. The tort costs in America are now far higher than in any other major industrialized nation. Think about that. We live in a competitive world. This is a global economy, and so our tort system has become a needless disadvantage for American manufacturers and entrepreneurs.

And so here are some actions Congress can take as well. To protect small businesses and workers, we need to change the way we handle class-action lawsuits. Interestingly enough, this is another problem you know well in Madison County. The number of class actions filed here increased by over 5,000 percent between 1998 and 2003, even though the vast majority of defendants named in those suits are not actually from Madison County. Think about that. These massive interstate class actions clog your local

courts. They hurt the honest workers and communities of the businesses targeted by the class-action lawyers. The proper place for large interstate class actions to be tried is not in a local court but rather in a Federal court, which are designed—[*applause*]. I look forward to working with both bodies and members of both parties to get good class-action reform out of the Congress this year.

I'll also work with Congress to reform asbestos litigation. Asbestos lawsuits in southern Illinois and elsewhere have led to the bankruptcy of dozens of companies and cost tens of thousands of jobs. Many asbestos claims are filed on behalf of people who are not sick. The volume of asbestos lawsuits is beyond the capacity of our courts to handle, and it is growing. More than 100,000 new asbestos claims were filed last year alone. Congress has begun considering options to improve the current system for handling asbestos lawsuits. They need to act and get the job done. I look forward to signing an asbestos reform in 2005.

I think we're sent to Washington to solve problems, not to pass them on to future Congresses. I believe we are called to do the hard work to make our communities and quality of life a better place. And it's hard work for some in Congress to stand up to the trial lawyers. I understand that. But all we're asking for is fairness. We want our doctors treated fairly. We want the hospitals treated fairly. And most of all, we want the patients and the American people treated fairly.

And I appreciate you all giving me a chance to come by and talk about the vital issue of legal reform. I intend to go back to Washington here shortly, and when I see Members of the Congress as I work this issue, I'm going to say, "I spoke to the good folks of southern Illinois. They understand the problem, and they expect you, Members of the United States Senate and the United States House of Representatives, to get the job done."

Thanks for coming by to say hello. I hope you and your families have a blessed and healthy 2005. May God bless you all.

NOTE: The President spoke at 1:13 p.m. at the Gateway Center. In his remarks, he referred to Tom Cross, minority leader, Illinois House of

Representatives; and Mayor Stan Schaeffer of Collinsville, IL.

Remarks Following a Meeting With Congressional Leaders

January 6, 2005

Class-Action Lawsuit Reform

I am very grateful that Members of the United States Senate and the House of Representatives, Members from both political parties, have come to discuss the need for the Congress and the administration to work together to get meaningful, real class-action lawsuit reform.

Class-action lawsuits have become a problem in the United States. The judicial system is not fair. It is unbalanced. It is tilted. And Members around this table understand that, and Members around this table are willing to set aside their political party to do what is right for worker and businessowner alike.

We had a very good discussion. It's a discussion that says to me that it is very possible that a good piece of legislation can move quickly this year out of both the Senate and the House, get it to conference quickly, and get it to my desk quickly, to show the American people that both parties are willing to work together to solve problems. We have a problem with class-action lawsuits. It is a problem that we all recognize, and it's a problem we intend to fix.

And I want to thank the Members for coming. I'm honored you are here, and I look forward to working with you. Thank you very much.

NOTE: The President spoke at 1:50 p.m. in the Cabinet Room at the White House.

Message to the Congress Transmitting an Extension of the Russia-United States Mutual Fisheries Agreement

January 6, 2005

To the Congress of the United States:

Consistent with the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement between the Government of

the United States of America and the Government of the Russian Federation extending the Agreement Between the Government of the United States and the Government of the Russian Federation on Mutual Fisheries Relations of May 31, 1999, with annex, as extended (the “Mutual Fisheries Agreement”). The present Agreement, which was affected by an exchange of notes in Moscow on March 3, 2003, and January 30, 2004, extends the Mutual Fisheries Agreement to December 31, 2008.

In light of the importance of our fisheries relationship with the Russian Federation, I urge the Congress to give favorable consideration to this Agreement at an early date.

George W. Bush

The White House,
January 6, 2005.

**Remarks on the Appointment of
Connie Mack as Chairman and John
B. Breaux as Vice Chairman of the
President’s Advisory Panel on
Federal Tax Reform and an
Exchange With Reporters**

January 7, 2005

The President. I want to thank the Secretary of the Treasury, John Snow, for being here today. I also want to thank my friend Senator—Senators Connie Mack and John Breaux for agreeing to head a group of citizens who will be exploring ways to simplify the Tax Code. I believe this is an essential task for our country. It’s a task that will treat our taxpayers more fairly. A simple code will make it easier on the taxpayers. But it’s an important task in order to make sure the economic growth we are seeing in the United States continues forward.

Today we had a very positive set of numbers to—come out to show that more and more Americans are finding work; 159,000 new jobs were added in December, and that doesn’t include the revisions from previous months. And that’s positive news. And the fundamental question is how can the administration and the Congress continue to make changes so—to keep this economy growing,

to make sure we’re the best place in the world to do business.

Today I’m going to Detroit to talk about legal reform. These fine, distinguished citizens will be taking a good, hard look at the Tax Code and coming up with recommendations as to how to make sure the Tax Code encourages economic vitality and growth. It seems like to me the Tax Code today discourages economic vitality and growth when you spend billions of hours filling out the forms. And so I want to thank you all for taking on this important job.

I told the members—the former Senators and members of this committee that I am firm in my desire to get something done. We’re going to take their work, and we’ll go to the Congress and say, “Let’s work together to achieve something very constructive for the American people.” And so thanks for taking this on.

Senator Breaux. Glad to do it.

The President. These are distinguished citizens of our country, and I’m proud you’re here.

Senator Breaux. Thank you.

Senator Mack. Look forward to doing it.

The President. Yes, you’re doing a good job.

Let me answer some questions. Hunt [Terence Hunt, Associated Press].

Iraqi Elections

Q. Mr. President, former National Security Adviser Brent Scowcroft had a gloomy assessment about Iraq’s elections. He said that they would probably deepen the conflict, increase divisions between the Shiite and Sunni Muslims, and that Iraq would slip into an incipient civil war. Do you share those concerns?

The President. Quite the opposite. I think elections will be such an incredibly hopeful experience for the Iraqi people. Remember, these are people that lived in a society where, if they didn’t toe the line of the leadership, they’d be tortured or killed or maimed. And all of a sudden, a new way of life is being introduced into Iraq, a chance for people to express their beliefs and their opinions. I believe democracies can take hold in parts of the world that have been condemned to tyranny. And I believe when democracies take

hold, it leads to peace. That's been the proven example around the world. Democracies equal peace, and that's what we're trying to achieve in this administration.

Steve Holland [Steve Holland, Reuters].

Q. Yes, sir.

The President. Yes, there you are.

Q. General Metz says he can't guarantee that every Iraqi who wants to vote will be able to because of security. Can there be a legitimate election if not everybody is able to vote?

The President. Fourteen of the eighteen provinces appear to be relatively calm. Four of the eighteen provinces are places where the terrorists are trying to stop people from voting. And the reason they're trying to stop people from voting is because they understand that democracies stand in the exact opposite to what they believe. These are people who want to try to impose their will on people. These are people—just like the Taliban, just like Usama bin Laden—who have this dim vision of the world that says, "If you do not agree with us, then you're of no count." And they're trying to stop people from voting. And the job of the United States military is to do the best job we can to give every citizen the best chance they can to vote and to participate. Democracy is hard. Our own country has had a history of kind of a bumpy road toward democracy. And we'll do the very best we can, but what is important is that the Iraqi people for the first time have a chance to vote.

And it was hard leading up the Afghan elections, as you remember. There was a lot of talk about how the—somebody was going to get killed, and they couldn't vote. And sure enough, when people were given a chance, millions of people showed up, and the first voter was a woman in a country where women had been savaged by the former government run by the Taliban. So, look, I know it's hard, but it's hard for a reason. And the reason it's hard is because there are a handful of folks who fear freedom. And the job of the world that—that those of us in the world who desire for there to be peace is to be aggressive in the spread of freedom, is to stand with those brave citizens in Iraq who want to vote. And that's exactly what we will do.

Go ahead. Followup?

Q. Are you worried about Sunni participation? You were talking to President Mubarak and King Abdullah earlier in the week.

The President. Well, I want everybody to vote. And I understand that parts of the Sunni area are being targeted by these killers. And their message is, "If you vote, we'll kill you." But their real message is, is that, "We can't stand democracy." And if the free world steps back and lets these people have their way, it will be, "We can't stand democracy here," and then "We can't democracy there." And we'll never address the root causes of terror and hatred, which is frustration caused by tyranny.

This administration firmly believes that if people are given a right to express themselves in a ballot—in the ballot box and in the public square and through a free and open press, it will lead to peace. If we step back and allow for tyrannies to exist and people not to be free, the world our children will grow up in will be a hostile world. And this is a big moment for the Iraqi people.

It wasn't all that long ago that a lot of people said, "Iraqi people will never vote at all." I think it's constructive now we're beginning to worry about the size of the turnout. It's something I was worried about right here two months ago, the size of the turnout. But the positive, incredibly amazing development, when you take a step back and look at history, is that Iraqi citizens will actually be allowed to go vote. And they will elect an assembly. And I think one of the things, Steve, you ought to be looking at is the nature of the assembly, who gets elected. And that's what we're certainly going to be looking at because this assembly will then be deciding the constitution of the country of Iraq. And I look at the elections as a historical marker for our Iraq policy. It is an interesting point.

And we look forward to working with the new Government that comes out of that—out of these elections.

Yes, John [John Cochran, ABC News].

Q. If I could follow that up, sir, a couple of things. You said, "Look at the assembly." Are you concerned that maybe the Sunnis won't vote enough and that the Sunnis will not be well represented in the assembly? And are you concerned, as Secretary Rumsfeld

is—he's sending this retired four-star general over—are you concerned about our military policy in Iraq that it's not doing enough to control the insurgents?

The President. Look, I think what you're beginning to see is a—an assessment of how to make sure our policy dovetails with the elections and the post-election period. You see, our policy all along has been: We'll help these people get to the elections, and there will be elections. And then once the elections take place, we look forward to working with the newly constituted Government to help train Iraqis as fast as possible so they can defend themselves. See, part of a successful strategy is one that says there'll be elections and the political process will be going forward but one in which the Iraqis assume more and more responsibility for their own security. And that's precisely why the assessment team is going to Iraq, to make sure that at this historic moment in the history of Iraq, there is a focused, determined strategy to help the new Government and the new and the—the new Government to stand up the forces necessary to defend themselves because ultimately the success in Iraq is going to be the willingness of the Iraqi citizens to fight for their own freedom.

Q. So you're not dissatisfied?

The President. I think we're making great progress. We're having elections on January the 30th. It's going to be an historic moment. I suspect if you were asking me questions 18 months ago and I said there was going to be elections in Iraq, you would have had trouble containing yourself from laughing out loud at the President. But here we are at this moment, and it's exciting times for the Iraqi people. And it's so exciting, there are some who are trying to intimidate people from going to the polls.

And I appreciate—listen, our military is doing great work over there.

Q. And the Sunnis?

The President. Well, I talked to President Yawr the other day. He's a Sunni. I said, "How's your campaign going?" He said, "It's going fine." He's out there trying to convince people to vote for him. There are Sunnis throughout the different tickets and slates, and we, of course, hope everybody votes. And our job is to try to provide as much secu-

rity along with the Iraqis to give people a chance to express their will. And no doubt about it, there are people trying to kill people who want to vote. That's—and they make it clear, "If you vote, we'll kill you." But it's very important to understand why they're doing that, John. They're doing that because the thought of a democracy in that part of the world is the most frightening thing to the terrorists. They cannot stand the thought of freedom in their midst. And there's a reason, because free societies are societies that actually listen to the will of the people. The people get to decide the course of their—of the history of their country, not a few tyrants who are willing to use brutality in order to set the direction of the country. And we're going to stand with those who love freedom. And we'll stand with those who want to vote.

Thank you all very much.

NOTE: The President spoke at 9:30 a.m. in the Oval Office at the White House. In his remarks, he referred to President Ghazi al-Ujayl al-Yawr of the Iraqi Interim Government. Reporters referred to Lt. Gen. Thomas F. Metz, USA, commander, Multi-National Corps—Iraq; President Hosni Mubarak of Egypt; King Abdullah II of Jordan; and Gen. Gary E. Luck, USA (Ret.).

Executive Order 13369—President's Advisory Panel on Federal Tax Reform

January 7, 2005

By the authority vested in me as President by the Constitution and the laws of the United States of America, and to assist in reforming the Federal Internal Revenue Code to benefit all Americans, it is hereby ordered as follows:

Section 1. Establishment. There is established the President's Advisory Panel on Federal Tax Reform (Advisory Panel).

Sec. 2. Membership. (a) The Advisory Panel shall be composed of up to nine members appointed by the President.

(b) The President shall designate one member of the Advisory Panel to serve as Chair and one member to serve as Vice Chair.

Sec. 3. Purpose. The purpose of the Advisory Panel shall be to submit to the Secretary

of the Treasury in accordance with this order a report with revenue neutral policy options for reforming the Federal Internal Revenue Code. These options should:

(a) simplify Federal tax laws to reduce the costs and administrative burdens of compliance with such laws;

(b) share the burdens and benefits of the Federal tax structure in an appropriately progressive manner while recognizing the importance of homeownership and charity in American society; and

(c) promote long-run economic growth and job creation, and better encourage work effort, saving, and investment, so as to strengthen the competitiveness of the United States in the global marketplace.

At least one option submitted by the Advisory Panel should use the Federal income tax as the base for its recommended reforms.

Sec. 4. Administration. (a) The Department of the Treasury shall provide, to the extent permitted by law, administrative support and funding for the Advisory Panel. The Advisory Panel is established within the Department of the Treasury for administrative purposes only.

(b) The Chair of the Advisory Panel shall convene and preside at the meetings of the Advisory Panel, determine its agenda after consultation with the Vice Chair, and direct its work. The Advisory Panel shall have a staff headed by an Executive Director who shall be selected by the President and report to the Chair.

(c) Members of the Advisory Panel shall serve without compensation for their work on the Advisory Panel. Members of the Advisory Panel who are not officers or employees in the executive branch, while engaged in the work of the Advisory Panel, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in Government service (5 U.S.C. 5701 through 5707), consistent with the availability of funds.

(d) Consistent with applicable law, heads of executive departments and agencies shall provide to the Advisory Panel such assistance, including assignment or detail of personnel, and information as may be necessary for the Advisory Panel to perform its functions.

(e) The Advisory Panel may conduct meetings in appropriate locations throughout the United States to obtain information and advice from Americans of diverse backgrounds and experience and from a diverse range of American entities, including large and small for-profit and non-profit organizations, State, local, and tribal governments, and from other individuals and entities as appropriate. Public hearings shall be held at the call of the Chair.

(f) Insofar as the Federal Advisory Committee Act, as amended (5 U.S.C. App.) (the "Act"), may apply to the Advisory Panel, any functions of the President under that Act, except for those in section 6 of that Act, shall be performed by the Secretary of the Treasury in accordance with the guidelines that have been issued by the Administrator of General Services.

Sec. 5. Report. The Advisory Panel shall submit to the Secretary of the Treasury a report containing policy options in accordance with section 3 of this order as soon as practicable, but not later than July 31, 2005.

Sec. 6. Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect the functions of the Director of the Office of Management and Budget relating to budget, administrative, or legislative proposals.

(b) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity, against the United States, its departments, agencies, entities, officers, employees or agents, or any other person.

Sec. 7. Termination. The Advisory Panel shall terminate 30 days after submitting its report pursuant to section 5 of this order.

George W. Bush

The White House,
January 7, 2005.

[Filed with the Office of the Federal Register,
9:02 a.m., January 11, 2005]

NOTE: This Executive order will be published in the *Federal Register* on January 12.

**Remarks on the Nomination of
Robert B. Zoellick To Be Deputy
Secretary of State**

January 7, 2005

The President. I am so pleased that upon the recommendations of the Secretary of State Designee Rice that Bob Zoellick has agreed to serve as Deputy Secretary of State upon confirmation by the Senate. Condi Rice and Bob Zoellick will form one of the really strong, capable foreign policy teams our country has ever had.

I've known Zoellick for a long time. He's a—he is a fine public servant. I asked him to serve as our trade minister, and he did a fantastic job. And as he departs to the State Department, upon Senate confirmation, I want to assure the American people this administration is committed to free trade. I look forward to finding a replacement for Bob Zoellick that will be able to carry on our desire to spread free trade around the world.

In the meantime, I look forward to a quick confirmation for Condi and Bob so they can go over to the State Department and carry on the foreign policy of this administration. Thank you all very much.

Thanks for serving.

Ambassador Zoellick. Thank you, Mr. President.

The President. Glad you're going to do it.

Ambassador Zoellick. Thanks.

Secretary-Designate Rice. Mr. President—

The President. Good choice.

Secretary-Designate Rice. Thank you, sir.

The President. Thank you all. See you in Detroit.

**Remarks in a Discussion on Asbestos
Litigation Reform in Clinton
Township, Michigan**

January 7, 2005

The President. Thank you. Thanks for coming today. Please be seated. We've got a lot of work to do here. *[Laughter]* Thank you for such a warm greeting, and I want to thank some of our fellow citizens for joining me here on the stage. We're about to have an interesting conversation on a vital issue that confronts our country, and that has to do with asbestos litigation. And I want to thank you all for joining us.

I think you're going to find their stories to be very interesting and very compelling as to why this country needs to act and to solve a problem. One of the reasons people run for office, or at least the main reason they run for office, should be to see problems and solve problems so that the country is better off because of our actions.

I want to thank Al Lorenzo and the good folks here at Macomb Community College for allowing us to use your beautiful facility. I believe that the community college system is a vital part of making sure that America remains a competitive place to do business. After all, one of the ways to ensure that our business sector is strong and viable is to have a workforce that is skilled—that is trained for the skills of the 21st century. And there is no better place than the community college system of America to provide those skills for jobs which actually exist. So thanks for having us here. I'm honored to be here.

Today I traveled from Washington on mighty Air Force One with four Members of the United States Congress from Michigan. I hope they came down to hear this presentation. I suspect they might have liked the accommodations. *[Laughter]* But I'm proud of all four. Congressman Mike Rogers is with us today. Thank you, Mike. Thad McCotter is with us. Congressman, thank you for coming. Joe Knollenberg is with us—Congressman Knollenberg. And finally, Congresswoman Candice Miller has joined us. Thank you, Candice. *[Applause]* It sounds like they've heard of you. That's good. And you brought along husband, Don. I appreciate

NOTE: The President spoke at 10:11 a.m. on the South Lawn at the White House.

Don. Don and I visited about flying F-102s together. I appreciate you all coming.

I want to thank all the State and local officials who are here. I want to thank our fellow citizens who've joined us. Today, when I landed at the airbase, I met Colonel Don Kotchman who is with us today. Don, thank you for coming. You know, I appreciate Don wearing our Nation's uniform, but more importantly, I appreciate the fact that he is a Boy Scout leader. He is a—and the reason I like to herald a person like Don is because the true strength of the country is the heart and souls of the American citizens. That's our strength. I mean, our military is mighty, and we'll keep it that way. Our economy is getting better, and we intend to keep it that way. But the real strength of this country is the fact that thousands and thousands of our citizens take time out of their lives to try to make somebody else's life better.

And I want to appreciate you for being a volunteer, a soldier in the army of compassion, Colonel. And I want to—again, I want—for all of you who are out there who are looking for some way to serve your community and our country, love your neighbor like you'd like to be loved yourself, and you'll be doing our country a great service.

Speaking about a nation, a loving nation providing care, I met with my little brother last night, the Governor of Florida, Jeb, who just had come back from the part of the world that was affected by the tsunamis. I'll be talking to Colin Powell on Monday. Jeb tells me of the extraordinary efforts that are being made on behalf of the suffering people by our aid workers and, most particularly, by our United States military. You know, we're good fighters, but we're also incredibly compassionate people. And our military is flying chopper lift after chopper lift after chopper lift to get needed supplies to help alleviate the incredible suffering that has gone on. I am proud of the efforts we have made. I will be proud of the efforts we will make, because this compassionate country will help those around the world who hurt as a result of these natural disasters.

We have a lot to do besides relieving suffering around the world. We've got to spread freedom. I mean, one way to relieve suffering is to encourage people to be free. And on

my mind right now is the fact that the people of Iraq will be voting on January the 30th. I was asked today—I want to thank our military and the military families for making this vote possible. I was asked today about all different aspects of the upcoming vote. They were talking about turnout. I said I know something about turnout. *[Laughter]* In democracy, we think about turnouts. And so I'm excited for the people of Iraq. I'm excited for the fact that they have a chance to go to the polls. It's an amazing accomplishment.

And again, I want to thank our troops and those on the ground there who are helping this historic moment to arrive. You've probably have read where we have sent some military folks over to assess the situation there. What we have done is we've sent military people over to assess how we can help the newly elected Government after January 30th do their job of helping to train their people so they can protect themselves against the few who want to stop the march of democracy in that part of the world.

And so this year we will do everything we can to help the Iraqis assume the responsibilities necessary to defeat those who want to stop the good people of that country from being able to exercise their free will. We'll do everything we can to protect our homeland.

At home, we've got some good economic news today. There's a net job increase—or new job increase of 157,000 jobs for December. I said 159,000 in the Oval Office. I stand corrected: It was 157,000 new jobs for December, which is good news. More and more people are finding work. And the fundamental question confronting the administration and the Congress is: What do we do to continue to expand the economic growth here in the country? And I've got some ideas on what to do, and I look forward to working with the Congress to see that those ideas come to fruition.

One is we've got to be wise about how we spend your money. It's essential in the budgets that I propose and the budget that Congress passes that it is very clear that we understand that in order to make sure there's confidence in our economy, that we cut the

deficit in half over 5 years. And I look forward to working with the spenders in Congress to do just that.

I know—I think—I'm confident we need to keep taxes low. One of the reasons why our small-business sector is so vibrant and strong today is because taxes on small businesses have been lowered. We intend to keep them low in this administration. I know we've got to do a better job of getting Congress to pass an energy plan. We must become less dependent on foreign sources of energy if we expect this economy to continue to grow.

And another thing we need to do is to make sure that we tackle big problems, like the Social Security problem. We have a problem with Social Security, and it is this: The number of payers paying into the system are dwindling on an annual basis, so that by the time baby boomers like me get ready to receive the promise of the Government, there's not going to be enough money in the system. And so I'm saying to Congress, "Let's fix it now." We have a duty, it seems like to me, to confront problems.

I look forward with—working with the Congress, members of both parties, to show our country we can confront big problems. I don't have a specific plan. I'm listening to all ideas. Everything should be on the table, as far as I'm concerned, except for the following: One, people who are retired or near retirement should see nothing changed in the system. And part of the problem in dealing with Social Security is that it's been a way for some to scare seniors, saying, "Look, if they modernize the system, the seniors won't get their checks." Forget it. You're going to get your check. Nothing will change.

I'm talking about how we deal with the problem for younger workers, most of whom think they'll never see anything to begin with. And I believe we can do so without running up payroll taxes, and I believe one interesting change, one innovative response to this issue is to allow younger workers to take some of their own money and set it aside in a personal savings account that will earn a better rate of return than the money inside the Social Security trust, an account they can call their own.

A way to make sure America is the best place to do business in the world, a way to

make sure jobs continue to exist here is to tackle the tough issues of legal reform. We have too many junk lawsuits in our system, pure and simple, and frivolous and junk lawsuits cost our economy about \$240 billion a year. That's a problem. We are one of the most—I think maybe the most litigious society in the industrialized world, which is a competitive disadvantage that we have in a global economy. And therefore, in order to make sure jobs stay here and jobs are increased here, we must be more competitive. And in order to be so, it seems like to me it makes sense to reform our legal systems.

I'm calling on Congress to address three issues as to when it—as to legal reform. One is to make sure that there is available and affordable health care by reforming medical liability law. There's too many lawsuits around this country that are driving too many good doctors out of practice, that are driving up the cost of medicine. The cost of practicing defensive medicine in order to stay out of the courthouse or to defend—to provide the defense necessary in case of a frivolous lawsuit is costing you \$28 billion a year at the Federal level. And it's a problem. And I look forward to working with Congress to solve this medical liability issue.

We need to reform the class-action lawsuit problem. We've got—these lawsuits are being filed; they have an impact on our economy. They—many times, the lawyers get the money, and the people don't. They are—these suits that have got interstate claimants really ought to be in the Federal court. The system right now allows people to shop for a court of law that is convenient to their case or place where they can find a sympathetic jury. And I think in order to make sure the system works better, Congress needs to reform the class-action lawsuit provisions of law and enable claimants to be able to argue their case in a Federal case—Federal court of law, as opposed to a sympathetic local court of law.

And finally, we're here to talk about asbestos lawsuits. We've got a problem. The Supreme Court recognized it as a problem. They said, it is a huge mass of—the huge mass of asbestos cases "defies customary judicial administration and calls for national legislation." That's a better—it's better that

they define it than me. After all, these are all lawyers and judges; I'm not. But when they say—the Supreme Court says we have a national problem, I think Congress needs to listen.

And why is it a national problem? Well, first of all, we're spending about \$80 billion on asbestos litigation, and that could end up being 200 billion over time.

Secondly, these asbestos suits have bankrupted a lot of companies, and that affects the workers here in Michigan and around the country.

Thirdly, those with no major medal [medical] * impairment now make up the vast majority of claims, while those who are truly sick are denied their day in court. We'll hear a little bit about that—we'll hear more about that a little bit later.

It's a—most of the asbestos producers are now bankrupt so that lawyers target companies once considered too small to sue or once considered to be not really directly involved with the manufacturing of asbestos. Because there's nobody else to sue, they try to drag in people that aren't directly involved with the manufacturing of asbestos. We'll hear about what that means here as well.

This is a national problem, as the Supreme Court said, that requires a national solution. And we're here today to talk about the national problem. I look forward to working with Congress to create a national solution. There are some principles which I think ought to govern Congress' actions.

First, funds should be concentrated on those who are sick, not lawyers or claimants who are not ill. In other words, people have been affected by asbestos. There's no doubt about it. You'll hear a story here today about a loved one whose family suffered as a result of that. But most of the money isn't going to those people who have been truly sick. It's going to people who think they might be sick, and that hurts the system.

Secondly, we need to speed up the process for delivering justice to deserving victims. So as Congress considers what ought to be done, they need to keep in mind those who have been truly harmed by asbestos.

Third, we need to provide certainty in the system, which will help save jobs and protect businesses that had nothing to do with creating the asbestos problem, and that's important. And so, as Congress moves—and I'm confident we can get something done. We'll, of course, need your help. I intend to help by keeping this issue on the front burner.

And we've got some citizens up here who want to help today too. And we're going to start by hearing from Lester Brickman. Lester, tell them what you do.

Lester Brickman. I'm a law professor at the Benjamin N. Cardozo School of Law at Yeshiva University, and I write extensively on the issue of asbestos litigation.

The President. So what he just said is he's going to give you an expert—I gave you a layman's opinion about all this. [Laughter] He's going to give you an expert opinion about all this.

Tell us what the problem is. Tell us—just give us a little history and educate people.

[At this point, Mr. Brickman made brief remarks.]

The President. I think my State of Texas was pretty famous for being a place where people would file these suits. As a matter of fact, if I'm not mistaken, we might have had 4, 5, 6 thousand lawsuits dumped on a local court at a time from around the country.

Mr. Brickman. That is correct. Lawsuits from around the country used to be filed in Texas, even though the plaintiffs never had set foot in Texas, even though the alleged injury had nothing to do with Texas, took place miles away, or hundreds of thousands of miles away. But the Texas courts, in those days, before tort reform—

The President. I was hoping you would bring that up. [Laughter] Kind of leading the witness here. [Laughter] No, no. But it's happening in another State.

Mr. Brickman. The law reform that you championed in Texas actually has spread to other States.

The President. Yes.

Mr. Brickman. And that's a good thing.

The President. The reason I was going to bring it up, is that when you have that many suits filed, it makes it hard for somebody who has got a legitimate claim to have

* White House correction.

their day in court. That's what we want. We want a court system that's fair. We want the scales of justice to be balanced, and the scales of justice are not balanced.

[*Mr. Brickman made further remarks.*]

The President. And people need to understand, when they go into bankruptcy—that's a legal term—but people are losing jobs, which is a real human tragedy. That's what these lawsuits are causing.

We've got some small-business owners with us today. I think you'll find their stories sad and compelling. Bruce McFee, that would be you.

Bruce McFee. Well, thank you, Mr. President.

The President. Thanks for coming.

Mr. McFee. It's an honor to be here.

The President. First, tell us about your company.

[*Mr. McFee, president, Saylor-Beall Manufacturing Co., made brief remarks.*]

The President. Okay, good. And you're the president of the company?

Mr. McFee. I'm the president, yes.

The President. Mr. President. [*Laughter*] And so, why are you here?

Mr. McFee. Well, that's a good question. [*Laughter*] I believe the reason I am here is because we have been named in asbestos lawsuits, due to a mistaken identity. We're being sued for things that we never made. We're being sued for things we never did.

The President. Yes, give the people a little history of your company. Because this is a typical story, as a result of these frivolous lawsuits.

[*Mr. McFee made further remarks.*]

The President. Right. So what is the rationale for suing you?

[*Mr. McFee made further remarks.*]

The President. How many employees have you got?

Mr. McFee. We've got a little over 100.

The President. This is classic small business in America—100 employees, would like to be expanding. I presume, would like to be increasing the workforce. And yet, money is going out the door to pay for 53 junk lawsuits.

[*Mr. McFee made further remarks.*]

The President. This is a case of why frivolous lawsuits hurt our economy. This is money that they are spending that could be better spent on employee health benefits, expanding the business.

[*Mr. McFee made further remarks.*]

The President. Right. Well, thanks for sharing with us.

Mr. McFee. Thank you, Mr. President.

The President. Mr. President. [*Laughter*]

Frank Sullivan—welcome, Frank. Thanks for coming. Where do you live? What's the name of your company? Are you the president?

Frank Sullivan. Yes, sir, I am the president. [*Laughter*]

The President. Mr. President. [*Laughter*]

Mr. Sullivan. I first want to thank you very much for your leadership on this issue. It is slowly destroying our country's manufacturing base.

[*Mr. Sullivan, president and chief executive officer, RPM International, Inc., continued his remarks.*]

The President. Congress needs to act. I mean, I can't make it any more plainly than to listen to these two stories here. I appreciate you sharing that with us. I guess what happened is the big manufacturers no longer exist, and so these lawyers keep searching and searching and searching until they find medium-sized businesses and small businesses. It's not right. It just isn't. We want a legal system that works in America. I want people to say, "The system is fair." And folks, the system isn't fair right now. It's not fair to those who are getting sued, and it's not fair for those who justly deserve compensation.

And I want you to hear the story from Mary Lou Keener. Mary Lou has served our Government. She is a public servant, but she's here to talk about her dad.

[*Mary Lou Keener made brief remarks.*]

The President. There you go. Good job. Well, there you have it. The system isn't fair. It's not fair to those who have been harmed. It's not fair to those who are trying to employ people. It's just not fair.

And so I've come to the great State of Michigan to help—I asked these citizens to help highlight a problem. And we have a duty to solve problems, and this is a problem. And I hope you let your Senators know and your Congresspeople know that we've got a problem and that you as citizens expect people of good will to come together, to forget vested interests, to focus on a solution for the good of the people of this country.

I want to thank you all for coming to give us a chance to discuss this vital issue. I told Mary Lou—I told you too—that I intend to make this an issue. Starting today, we've made it an issue for the year 2005, and I look forward to working with the Congress to get something done.

God bless you all, and thanks for coming.

NOTE: The President spoke at 12:15 p.m. in the Macomb Center for the Performing Arts at Macomb Community College. In his remarks, he referred to Albert Lorenzo, president, Macomb Community College.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

December 31

In the morning, at the Bush Ranch in Crawford, TX, the President had an intelligence briefing.

January 1

In the morning, the President had an intelligence briefing.

January 2

In the morning, the President and Mrs. Bush returned to Washington, DC, arriving in the afternoon.

January 3

In the morning, the President had an intelligence briefing.

Also in the morning, the President had a telephone conversation with Prime Minister Ayad Allawi of the Iraqi Interim Government to discuss the upcoming elections and the security situation in Iraq.

During the day, the President and Mrs. Bush, along with former Presidents Bill Clinton and George Bush, went to the Embassies of India, Indonesia, Sri Lanka, and Thailand, where they signed books of condolence for victims of the December 26, 2004, earthquake and tsunamis in the Indian Ocean.

The President announced his intention to nominate Jeffrey Robert Brown to be a member of the Social Security Advisory Board.

The President announced his intention to designate Robert D. Jamison as Acting Administrator of the Federal Railroad Administration.

January 4

In the morning, the President had a telephone conversation with Prime Minister Jean-Claude Juncker of Luxembourg, in his capacity as President of the European Union, to congratulate him on his reelection and to discuss their upcoming meeting to be held February 22 in Brussels, Belgium. He then had an intelligence briefing.

Also in the morning, the President had a telephone conversation with Secretary of State Colin L. Powell and Gov. Jeb Bush of Florida to discuss relief efforts following the December 26, 2004, earthquake and tsunamis in the Indian Ocean.

In the afternoon, the President met with Secretary of Health and Human Services Tommy G. Thompson. He also met with Secretary of Education Roderick R. Paige.

January 5

In the morning, the President had a telephone conversation with King Abdullah II of Jordan to discuss the upcoming meeting of Iraq's neighboring countries to be held January 6 in Jordan. He then had a telephone conversation with President Hosni Mubarak of Egypt to discuss the situation in Iraq and the upcoming Arab League ministers meeting to be held January 12 in Cairo.

Later in the morning, the President had a telephone conversation with President Ghazi al-Ujayl al-Yawr of the Iraqi Interim

Government to discuss the upcoming elections in Iraq. He then had an intelligence briefing.

Later in the morning, the President traveled to Collinsville, IL, arriving in the afternoon. Upon arrival, he met with USA Freedom Corps volunteer Connie Bergmann.

Later in the afternoon, the President returned to Washington, DC.

The President announced his intention to name Claude A. Allen as Assistant to the President for Domestic Policy.

The President announced that he has named Daniel Bartlett as Counselor to the President.

The President announced that he has named Nicolle Devenish as Assistant to the President for Communications.

January 6

In the morning, the President had a telephone conversation with President Mikheil Saakashvili of Georgia to discuss the situation in Ukraine and other issues. He then had an intelligence briefing.

Later in the morning, the President met with Republican congressional leaders to discuss legislative priorities.

In the afternoon, in the Oval Office, the President met with individuals to discuss class-action lawsuit reform.

Later in the afternoon, on the South Lawn, the President and Mrs. Bush publicly welcomed their new pet, Miss Beazley, to the White House.

During the day, the President met with Gov. Jeb Bush of Florida to discuss relief efforts following the December 26, 2004, earthquake and tsunamis in the Indian Ocean.

In the evening, the President and Mrs. Bush and family members attended the 60th wedding anniversary dinner of former President George Bush and former First Lady Barbara Bush.

The White House announced that the President will host President Aleksander Kwasniewski of Poland at the White House for a meeting and lunch on February 9.

January 7

In the morning, the President had an intelligence briefing. Later, in the Oval Office,

he met with Chairman Connie Mack and Vice Chairman John B. Breaux of the President's Advisory Panel on Federal Tax Reform and Secretary of the Treasury John W. Snow.

Later in the morning, the President traveled to Clinton Township, MI, arriving in the afternoon. While en route aboard Air Force One, he had a telephone conversation with U.S. Ambassador to the United Nations John C. Danforth to discuss the situation in Sudan. Upon arrival in Clinton Township, the President met with USA Freedom Corps volunteer Don Kotchman.

Later in the afternoon, the President returned to Washington, DC.

The President announced his intention to appoint the following individuals as members of the President's Advisory Panel on Federal Tax Reform: Connie Mack III (Chairman); John B. Breaux (Vice Chairman); William Eldridge Frenzel; Elizabeth Garrett; Edward P. Lazear; Timothy J. Muris; James Michael Poterba; Charles O. Rossotti; and Liz Ann Sonders.

The President announced his intention to nominate Robert B. Zoellick to be Deputy Secretary of State.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted January 4

Samuel W. Bodman,
of Massachusetts, to be Secretary of Energy,
vice Spencer Abraham, resigned.

Alberto R. Gonzales,
of Texas, to be Attorney General, vice John
Ashcroft, resigned.

Carlos M. Gutierrez,
of Michigan, to be Secretary of Commerce,
vice Donald Louis Evans, resigned.

Mike Johanns,
of Nebraska, to be Secretary of Agriculture,
vice Ann Margaret Veneman, resigned.

Michael O. Leavitt,
of Utah, to be Secretary of Health and
Human Services, vice Tommy G. Thompson,
resigned.

Jim Nicholson,
of Colorado, to be Secretary of Veterans Af-
fairs, vice Anthony Joseph Principi, resigned.

Condoleezza Rice,
of California, to be Secretary of State, vice
Colin Luther Powell, resigned.

Margaret Spellings,
of Texas, to be Secretary of Education, vice
Roderick R. Paige, resigned.

Jeffrey Robert Brown,
of Illinois, to be a member of the Social Secu-
rity Advisory Board for a term expiring Sep-
tember 30, 2008, vice Bradley D. Belt, re-
signed.

Adolfo A. Franco,
of Virginia, to be a member of the Board
of Directors of the Inter-American Founda-
tion for a term expiring September 20, 2008,
vice Jeffrey Davidow, resigned.

Gregory B. Jaczko,
of the District of Columbia, to be a member
of the Nuclear Regulatory Commission for
the term of 5 years expiring June 30, 2008,
vice Greta Joy Dicus, term expired.

Albert Henry Konetzni, Jr.,
of New York, to be a member of the Nuclear
Regulatory Commission for the term of 5
years expiring June 30, 2009, vice Richard
A. Meserve, resigned.

Roger Francisco Noriega,
of Kansas, to be a member of the Board of
Directors of the Inter-American Foundation
for a term expiring September 20, 2006, vice
Harriett C. Babbitt, term expired.

Checklist of White House Press Releases

The following list contains releases of the Office
of the Press Secretary that are neither printed as
items nor covered by entries in the Digest of
Other White House Announcements.

Released January 3

Transcript of a press briefing by Press Sec-
retary Scott McClellan

Released January 4

Transcript of a press briefing by Press Sec-
retary Scott McClellan

Released January 5

Transcript of a press gaggle by Press Sec-
retary Scott McClellan

Fact sheet: Legal Reform: The High Costs
of Lawsuit Abuse

Released January 6

Transcript of a press briefing by Press Sec-
retary Scott McClellan

Statement by the Press Secretary on the up-
coming visit of President Aleksander
Kwasniewski of Poland

Released January 7

Transcript of a press gaggle by Press Sec-
retary Scott McClellan

Statement by the Press Secretary announcing
that the President signed H.R. 241

Acts Approved by the President

Approved December 23 *

H.R. 530 / Private Law 108–6
For the relief of Tanya Andrea Goudeau

* This Private Law was not received in time for
inclusion in the appropriate issue.

Approved January 7

H.R. 241 / Public Law 109-1

To accelerate the income tax benefits for
charitable cash contributions for the relief of
victims of the Indian Ocean tsunami